

## Message Text

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ACTION L-03

INFO OCT-01 ARA-06 ISO-00 EB-07 COME-00 OPIC-03 OFA-01

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC 8670

C O N F I D E N T I A L LIMA 1085

FOR L/ARA - MR. GANTZ

EO 11652: GDS

TAGS: EFIS, EINV, BDIS, EGEN, PFOR, PE

SUBJECT: STAR-KIST PRESENCE IN PERU/UNRESOLVED CLAIMS AND  
RELINQUISHING MINORITY SHARES IN ITS JOINT VENTURE

REFS: SMITH-CORRY TELECON 1/26/76, 74 LIMA 7729,

74 LIMA 6778, 74 LIMA 2210, 74 LIMA 2123,  
74, STATE 050581

1. JOHN REAL, EXECUTIVE VP STAR-KIST, ACCOMPANIED BY PAUL GLIGO, DIRECTOR, INTERNATIONAL OPERATIONS AND LOCAL MANAGER OF COPE (COMPANIA PERUANA DE ESTRELLA, 49 PERCENT STAR-KIST, 51 PERCENT GOP) CALLED EMBASSY OFFICER JANUARY 30 TO INFORM EMBASSY OF STAR-KIST VIEWS REGARDING CPES AND ITS UNRESOLVED CLAIM TO \$2.4 MILLION IN PROFITS FROM ITS CANNING/FREEZING OPERATION BETWEEN MAY 8, 1973 AND NOVEMBER 18, 1973.

2. REAL SAID STAR-KIST'S JOINT VENTURE OPERATION, COPE, HAS FALLEN ON DIFFICULT TIMES, PRINCIPALLY DUE TO LACK OF COOPERATION ON PART OF GOP. ALTHOUGH AGREEMENT FOR CREATION OF COPE BETWEEN STAR-KIST AND EPSE (STATE FISH MARKETING BOARD) WAS SIGNED IN WASHINGTON IN 1974, THE FIRM HAS NEVER BEEN OFFICIALLY REGISTERED IN PERU. IN ADDITION, PERUVIANS HAVE FAILED TO MAKE GOVERNMENT FINANCING AVAILABLE, FIRM HAS BEEN PLAGUED BY ERIES OF PETTY HARASSMENTS, LABOR DIFFICULTIES, AND OPPOSITION OF GOP MAJORITY

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SHAREHOLDERS TO EFFICIENT MANAGMENT OF FIRM. IN ADDI-

TION, THERE HAS BEEN A SERIOUS LACK OF FISH. THUS, REAL AND GLIGO DISCUSSED FUTURE OF THEIR PARTICIPATION WITH FISHERIES MINISTER, ADM. MARIATEGUI ANGULO, LAST FRIDAY (JANUARY 30) AND EXPRESSED HOPE THAT GOP MIGHT BE WILLING TO PURCHASE STAR-KIST'S ASSETS, SINCE STAR-KIST HAS DECIDED TO WITHDRAW FROM PERU. REAL DID NOT GO INTO DETAILS OF POSSIBLE BUY-OUT EXCEPT TO SAY THAT HE PLANS TO RETURN TO PERU WITHIN NEXT TWO WEEKS TO CONTINUE DISCUSSIONS WITH PERUVIANS.

3. EMBASSY OFFICER NOTED THAT EMBASSY HAD RECEIVED COPIES OF CORRESPONDENCE FROM JOE BOGDANOVICH, PRESIDENT OF STAR-KIST, TO GERALD KAMENIS AT THE WHITE HOUSE, ENCLOSED BACKGROUND DOCUMENTATION ON STAR-KIST'S LONG PENDING REQUEST TO OBTAIN PROFITS FROM ITS COISCHCO, S.A. SUBSIDIARY THAT HAD BEEN NATIONALIZED IN MAY 1973. BOGDANOVICH STATED IN HIS LETTER TO KAMENIS THAT STAR-KIST HAD OPERATED UNDER THE ASSUMPTION THAT ONCE THE CANNING/FREEZING ASSETS OF COISCHCO WERE RESTORED TO THE COMPANY ON NOVEMBER 19, 1973, THERE WOULD BE NO DIFFICULTY IN OBTAINING ACCESS TO THE PROFITS WHICH AROSE FROM SUCH OPERATIONS FROM THE DATE OF NATIONALIZATION TO THAT TIME. THE LETTER FURTHER REQUESTED THE ADVICE AND ASSISTANCE OF THE U.S. GOVERNMENT IN PURSUIT OF THIS CLAIM. REAL SAID THAT HE WAS FULLY AWARE OF THIS CORRESPONDENCE. HE AGREED WITH THE EMBASSY OFFICER WHO NOTED THAT A SEPARATE MEMORANDUM OF UNDERSTANDING BETWEEN THE GOP AND THE EMBASSY OF DECEMBER 28, 1973, SPECIFICALLY EXCLUDED FROM THE GREEN SETTLEMENT THE QUESTION OF COMPENSATION FOR THESE ASSETS. REAL ADDED THAT STAR-KIST WOULD LIKE TO KNOW WITH WHOM ITS LAWYERS COULD DISCUSS THIS MATTER, AND (ON THE BASIS OF EARLIER DISCUSSIONS BETWEEN EMBASSY OFFICER AND DAVID GANTZ) EMBASSY OFFICER FURNISHED REAL WITH GANTZ'S NAME AND TELEPHONE NUMBER. REAL SAID THAT STAR-KIST WOULD BE TALKING WITH GANTZ EARLY NEXT WEEK AFTER HE AND HIS COLLEAGUES RETURN TO U.S.

4. REAL EMPHASIZED THAT AT THIS STAGE OF DISCUSSIONS IN REGARD TO COPE'S OPERATION AND PROFITS ISSUE, COMPANY WAS NOT REQUESTING AND IN FACT DID NOT DESIRE ANY DIRECT U.S. CONFIDENTIAL

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GOVERNMENT INTERVENTION AT THIS TIME. HE SAID FURTHER THAT STAR-KIST HAD NOT YET TAKEN ANY LEGAL STEPS WITHIN PERUVIAN COURTS IN AN ATTEMPT TO OBTAIN THE PROFITS IT BELIEVES ARE DUE COMPANY. HE SAID THAT AFTER COMPANY HAS CONSIDERED ITS OPTIONS HE WOULD BE CALLING ON US ONCE AGAIN. EMBASSY OFFICER OFFERED HIM ALL APPROPRIATE ASSISTANCE.

4. COMMENT: WE WOULD APPRECIATE ANY READING DEPART-

MENT MAY OBTAIN FROM STAR-KIST ON THIS MATTER. WE  
DOUBT THAT PERUVIANS WILL BE WILLING TO MAKE AVAILABLE  
PROFITS FROM 1973 PERIOD AND DCM IN FACT RECALLS PERUVIAN  
OFFICIAL TELLING US PRIVATELY AT THAT TIME THAT STAR-KIST  
WOULD NEVER BE ABLE TO OBTAIN ITS CLAIMED PROFITS.  
QUESTION OF UNRESOLVED PROFITS IS COMPLICATED NOW BY  
DESIRE TO COMPANY TO WITHDRAW FROM PERUVIAN JOINT VENTURE.  
EMBASSY POUCHING STAR-KIST CORRESPONDENCE TO L/ARA.  
DEAN

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## Message Attributes

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